

Date	June 12, 2018	Court	Intellectual Property High Court, First Division
Case Number	2017 (Gyo-Ke) 10214		
<p>- A case in which the court found that the Trademark, which consists of GUZZILLA, falls under Article 4, paragraph (1), item (xv) of the Trademark Act because the designated goods for the Trademark include those for which, when the Trademark is used in connection with such goods, there is a risk of causing the misunderstanding that said goods pertain to goods that belong to the plaintiff or to a proprietor of business who is closely related to the plaintiff, by way of a parent company-subsidary relationship or as an affiliate or the like, or who belongs to a group of companies operating for commercialization under the same label as the plaintiff.</p>			

References: Article 4, paragraph (1), item (xv) of the Trademark Act

Number of related rights, etc.: Trademark Registration No. 5490432, Invalidation Trial No. 2017-890010

Summary of the Judgment

[The Trademark]

GUZZILLA

Designated goods: "Mining machines and apparatus; Construction machines and apparatus; Loading-unloading machines and apparatus; Agricultural machines, Agricultural implements other than hand-operated; Waste compacting machines and apparatus; Waste crushing machines" in Class 7

[Cited Mark]

A trademark consisting of the letters, "GODZILLA".

1. The plaintiff demanded a trial for invalidation of trademark registration for the Trademark by citing the Cited Mark.

In the trial decision rendered by the JPO, the JPO found that use of the Trademark for its designated goods (the "Designated Goods") does not have a risk of causing the misunderstanding by traders and consumers of such goods that said goods pertain to goods that belong to the plaintiff or to a proprietor of business

who is closely related to the plaintiff, and that the Trademark does not therefore fall under Article 4, paragraph (1), item (xv) of the Trademark Act, among other findings, and held that the plaintiff's claims are groundless (the "Trial Decision").

2. In the present case, the court found that the Trademark falls under Article 4, paragraph (1), item (xv) of the Trademark Act, and rescinded the Trial Decision by the JPO as follows.

(1) The Trademark and Cited Mark are confusingly similar in pronunciation, and they also include features that make these trademarks to be confusingly similar in appearance as well. The Cited Mark is well-known and famous, in addition to being highly original. The plaintiff's operation is diversified, and thus when the Designated Goods are compared with the goods that pertain to the plaintiff's operation (toys and general merchandise and the like for which the plaintiff licensed the Cited Mark), some of the Designated Goods (goods such as hydraulic jacks, electric jacks, chain blocks, winches, reapers, electric scissors for trees, hedge trimmers, and mowers) have a certain level of relevance to said goods pertaining to the plaintiff's operation, in terms of nature, use, or purpose. In addition, there is commonality in traders and consumers between these goods and the goods that pertain to the plaintiff's operation, and it can be said that these traders and consumers conduct business by taking into consideration not only the performance and quality of goods but also the business reputation shown by the trademark which is placed on the goods.

If this is the case, it must be said that some of the Designated Goods have a risk of causing the misunderstanding that said goods pertain to goods that belong to the plaintiff or to a proprietor of business who is closely related to the plaintiff, by way of a parent company-subsidary relationship or as an affiliate or the like, or who belongs to a group of companies operating for commercialization under the same label as the plaintiff.

(2) It is impossible to determine whether or not the Trademark has a risk of causing confusion in connection with goods pertaining to the plaintiff's operation based only on the case of using the Trademark for machines and apparatus that are used in specialized/vocational fields such as attachments for construction machines which are manufactured, sold, and otherwise handled by the defendant.

Judgment rendered on June 12, 2018; the original of the judgment was received by the court clerk on the same day

2017 (Gyo-Ke) 10214 Case of Seeking Rescission of JPO Decision

Date of conclusion of oral argument: May 29, 2018

Judgment

Plaintiff: Toho Co., Ltd.

Defendant: Taguchi Industrial Co., Ltd.

Main text

1. The court shall rescind the decision made by the Japan Patent Office (JPO) on October 16, 2017 with regard to the case seeking invalidation of patent No. 2017-890010.
2. The defendant shall bear the court costs.

Facts and reasons

No. 1 Claims

The same as the main text.

No. 2 Outline of the case

1. Outline of procedures at the JPO

(1) On November 21, 2011, the defendant filed an application for registration of a trademark, as per the attached Trademark Registration Certificate (hereinafter referred to as the "Trademark"), by designating "Mining machines and apparatus; Construction machines and apparatus; Loading-unloading machines and apparatus; Agricultural machines, Agricultural implements other than hand-operated; Waste compacting machines and apparatus; Waste crushing machines" in Class 7 (the "Designated Goods"). The Trademark was granted registration on April 27, 2012 (Trademark Registration No. 5490432) (Exhibit Ko 1).

(2) On February 22, 2017, the plaintiff filed a request for a trial for invalidation of registration for the Trademark. In connection with Article 4, paragraph (1), item (xv) and Article 4, paragraph (1), item (xix) of the Trademark Act, the plaintiff cited a trademark consisting of the letters, "GODZILLA" (the "Cited Mark") (Exhibit Ko 175).

(3) The JPO examined the plaintiff's claims in the Invalidation Trial No. 2017-890010. On October 16, 2017, the JPO rendered the decision to the effect that "the claims for a trial in this action are groundless," as per the attached Written Decision

(copy) (the "Trial Decision"), and a transcript of the decision was served to the plaintiff on the 26th of the same month.

(4) On November 22, 2017, the plaintiff filed this action seeking rescission of the Trial Decision.

2. Gist of the reasons given in the Trial Decision

The reasons given in the Trial Decision are as per the attached Written Decision (copy). In summary, the JPO rendered the decision that [i] the Trademark does not fall under Article 4, paragraph (1), item (xv) of the Trademark Act because even if the Trademark is used for the Designated Goods, there is no risk of causing the misunderstanding by traders and consumers that said goods pertain to the business of the plaintiff or of a proprietor of business who is closely related to the plaintiff, [ii] the Trademark does not fall under Article 4, paragraph (1), item (xix) of the Trademark Act because use of the Trademark is not based on unfair purposes, and [iii] the Trademark does not fall under Article 4, paragraph (1), item (vii) of the Trademark Act because there is nothing unethical about the Trademark and because there is nothing that is socially unacceptable about the background to the filing of the application for trademark registration.

3. Grounds for rescission

(1) Error in judgment of applicability of Article 4, paragraph (1), item (xv) (Ground for Rescission No. 1)

(2) Error in judgment of applicability of Article 4, paragraph (1), item (xix) (Ground for Rescission No. 2)

(3) Error in judgment of applicability of Article 4, paragraph (1), item (vii) (Ground for Rescission No. 3)

(Omitted)

No. 4 Court decision

1. Ground for Rescission No. 1 (Error in judgment of applicability of Article 4, paragraph (1), item (xv))

(1) A trademark that "is likely to cause confusion in connection with the goods or services pertaining to a business of another person," as stipulated in Article 4, paragraph (1), item (xv), includes not only trademarks having the risk of causing the misunderstanding that, when said trademark is used for its designated goods or services, said goods or services pertain to the business of another person, but also trademarks having the risk of causing the misunderstanding that said goods or services

pertain to the business of a proprietor of business who is closely related to the aforementioned "other person," by way of the so-called parent company-subsiary relationship or as an affiliate or the like, or who belongs to a group of companies operating for commercialization under the same label as the other person. Whether or not there is a "risk of causing confusion" as described above should be determined comprehensively, by taking into consideration current conditions of business, including the level of similarity between said trademark and the other person's mark, how well-known or famous as well as how original the other person's mark is, the level of relevance between the designated goods or services of said trademark and the designated goods or services pertaining to the other person's business in terms of nature, use, or purpose, and the commonality in traders and consumers for the goods or services, based on the attentiveness which is normally exercised by traders and consumers of the designated goods or services for said trademark (Judgment of the Supreme Court, the Third Petty Bench, 1998 (Gyo-Hi) 85, dated July 11, 2000/Minshu vol. 54, no. 6, page 1848).

(2) Level of similarity between trademarks

A. Appearance

The Trademark consists of eight alphabetic letters, "GUZZILLA". The font used for "G" and "A" has a slightly round shape. Upper edges of "U" and the third letter, "Z", are joined together, and the lower edges of the seventh letter, "L", and "A" are joined together. The third and fourth letters, "Z's", are designed so that the lower left edges of both letters protrude sharply forward and downward and both letters are written in slightly tall and thick letters.

The Cited Mark consists of eight alphabetic letters, "GODZILLA". The letters of the Cited Mark which is cited by the plaintiff are standard letters and not designed, but in reality, the Cited Mark appears in various fonts.

When the appearances of the Trademark and the Cited Mark are compared, both consist of eight alphabet letters, with the "G" at the beginning and the five letters at the end, "ZILLA", being shared by the two trademarks. While the second letter of the Trademark is "U", the second letter of the Cited Mark is "O". However, in the Trademark, the upper edges of "U" and the third letter, "Z", are joined together and written in slightly tall and thick letters, so that there is a risk of being misread. Nevertheless, the Trademark and the Cited Mark have different letters for the third letters, respectively, and the Trademark is designed as described above so that it looks cohesive overall.

If this is the case, it can be said that the Trademark and the Cited Mark contain

features that make the two trademarks to be confusingly similar in appearance.

B. Pronunciation

The first two letters, "GU", of the Trademark produce the pronunciation, "グ (gu)", if pronounced in the way it is written in Romaji, and if these letters are pronounced in the same way as the English word, "GUM", with which Japanese people are familiar, then the pronunciation would be "ガ (ga)". As such, the Trademark produces the pronunciation of "グジラ (gu-ji-la)" or "ガジラ (ga-ji-la)", and the initial sound of the Trademark can even be an intermediary tone between "グ (gu)" and "ガ (ga)". While it can be acknowledged that the attachments for construction machines which are manufactured, sold, and otherwise handled by the defendant (the "Defendant's Attachments") had the Trademark placed on their exterior prior to the filing date of the application for registration of the Trademark and were marketed under the name, "ガジラ (ga-ji-la)" (Exhibits Ko 167 to 170), there is not enough evidence to support that the Defendant's Attachments were widely known by the name, "ガジラ (ga-ji-la)". Accordingly, it cannot be said that "ガジラ (ga-ji-la)" is the only pronunciation produced by the Trademark.

As described later in (3)B, the Cited Mark is widely known as the name of a monster that appears in monster films, "ゴジラ (Godzilla; go-ji-la)", written in alphabetic letters, and thus the pronunciation produced is "ゴジラ (go-ji-la)". In English, the initial sound of the Cited Mark can also be pronounced as an intermediary tone between "ゴ (go)" and "ガ (ga)", and in fact, in the enormously successful film, "Shin Godzilla", an intermediary tone between "go" and "ガ (ga)" was used to pronounce "Godzilla" (Exhibits Ko 192 to 194). Given the above, when the application for registration of the Trademark was filed in Japan, the English pronunciation of the Cited Mark had also become generalized (Exhibits Ko 79 to 82 (including branch numbers)). As such, the initial sound, "ゴ (go)", of the Cited Mark can also be pronounced by an intermediary tone between "ゴ (go)" and "ガ (ga)".

When the pronunciation of the Trademark is compared with the pronunciation of the Cited Mark, the pronunciation other than the initial sound is "ジラ (jira)", which is the same in both trademarks. As for the initial sound, in the case of the Trademark, an intermediary tone between "グ (gu)" and "ガ (ga)" can be used to make the pronunciation, and in the case of the Cited Mark, an intermediary tone between "ゴ (go)" and "ガ (ga)" can be used to make the sound, and the intermediary tone between "グ (gu)" and "ガ (ga)" in the Trademark and the intermediary tone between "ゴ (go)" and "ガ (ga)" in the Cited Mark share the same consonant and similar vowel sounds.

Accordingly, it should be said that the Trademark and the Cited Mark are confusingly similar in pronunciation.

C. Concept

No special concept arises from the Trademark, and the concept of "Godzilla", which appears in monster films, arises from the Cited Mark.

D. Similarity between the Trademark and the Cited Mark

As described above, it can be said that the Trademark and the Cited Mark are confusingly similar in pronunciation, and that they contain features that make the two trademarks to be confusingly similar in appearance as well.

(3) Cited Mark as a well-known or famous mark, and level of originality

A. The character "ゴジラ (Godzilla; go-ji-la)", a monster that appears in monster films, was created by the plaintiff (Exhibit Ko 4), and there is no dispute between the parties regarding the point that "ゴジラ (Godzilla; go-ji-la)" is famous.

B. In 1955, the Cited Mark was applied to "ゴジラ (Godzilla; go-ji-la)", a monster that appears in monster films, for how to write the monster's name in alphabetic letters. In time, the Cited Mark came to be in use for indicating "ゴジラ (Godzilla; go-ji-la)" (Exhibits Ko 7 and 8). The Cited Mark, as written in alphabetic letters, has been frequently used in Japan since 1957, if not earlier, in advertisements for movies as well as in the movies themselves (Exhibits Ko 7, 8, 21, 39 to 43, 46 to 50, 55, 79, 80, 81-1 to 81-3, 82, 84). Since 1983, if not earlier, the Cited Mark has been used in books that introduce the monster, "ゴジラ (Godzilla; go-ji-la)", as well as on products that are based on such books (Exhibits Ko 17, 18, 21, 22, 26, 45, 52 to 54, 56 to 61, 63 to 73, 77, 78, 86-1, 92, 101-3, 102-4, 162). Furthermore, considering that the Cited Mark appears in many dictionaries as how to write the name of the monster, "ゴジラ (Godzilla; go-ji-la)", in English (Exhibits Ko 125 to 129, 143 to 153), it can be said that the Cited Mark is famous.

C. Except for the Trademark, there is no trademark registration that starts with "G" and ends with "ZILLA" other than the Cited Mark. While many of the names that are given to imaginary monsters may be three-syllable words that start with dull sounds and end with "ラ (la)", it is acknowledged that such tendency is a result of the fact that the monster, "ゴジラ (Godzilla; go-ji-la)", is famous (Exhibits Ko 173, 174), and furthermore, there does not seem to be any mark that is, when written in alphabetic letters, similar to the Cited Mark.

D. As described above, it should be said that the Cited Mark is well-known or famous and that it is highly original.

(4) Level of relevance of goods, and commonality in traders and consumers

A. Level of relevance of goods

The Designated Goods are "Mining machines and apparatus; Construction machines and apparatus; Loading-unloading machines and apparatus; Agricultural machines, Agricultural implements other than hand-operated; Waste compacting machines and apparatus; Waste crushing machines" in Class 7. The Designated Goods include machines and apparatus that are used in specialized/vocational fields. In addition, "loading-unloading machines and apparatus" from among the Designated Goods include hydraulic jacks, electric jacks, chain blocks, and winches, and "agricultural machines, agricultural implements other than hand-operated" from among the Designated Goods include reapers, electric scissors for trees, hedge trimmers, and mowers (Exhibits Ko 225, 226, 231 to 234, 243, 253, and Exhibit Otsu 18).

On the other hand, the plaintiff's operation is diversified, and the plaintiff mostly engages in production and distribution of films, production and performance of plays, and real estate management, among others, as well as in designing, producing, selling, and renting of character goods and the like, and acquisition, use, licensing, and otherwise managing intellectual property rights such as copyright, merchandising right, and trademark right (Exhibit Ko 135). The plaintiff licenses the Cited Mark to nearly 100 companies, and the goods covered are diverse, ranging from toys such as dolls and stuffed animals, stationery, clothing, food, and general merchandise, among others (Exhibits Ko 12, 83 to 96, 98 to 102, 199 to 211 (including branch numbers)).

With regards to the machines and apparatus that are used in specialized/vocational fields from among the Designated Goods as well as the toys, stationery, clothing, food, and general merchandise and the like for which the plaintiff licensed the Cited Mark, the former concerns machines for assisting people's work in industrial sites such as factories and places of business, with mostly the performance and quality and the like providing the basis for selection of goods, whereas the latter concerns items that are used by general consumers in everyday life and that are difficult to be distinguished from other goods of the same kind. As such, there is not much relevance in terms of nature, use, and purpose.

By contrast, goods such as hydraulic jacks, electric jacks, chain blocks, winches, reapers, electric scissors for trees, hedge trimmers, and mowers, which are among the Designated Goods, are available to general consumers for relatively low prices at stores such as home improvement stores and on online shopping sites and television-shopping programs (Exhibits Ko 235 to 242, 244 to 252, 254 (including branch numbers)). If this is the case, these goods are items that are used by general

consumers in everyday life, and thus it can be said that these goods are difficult to be distinguished from other goods of the same kind. Unlike commonly used toys and the like, these goods can endanger a person's life or property depending on the usage. Nevertheless, these goods are relatively small machines and apparatus that are relatively simple to operate, and thus their use is not limited to specialized industrial purposes, nor is such use restricted to persons having special knowledge or ability. As such, hydraulic jacks, electric jacks, chain blocks, winches, reapers, electric scissors for trees, hedge trimmers, mowers, and the like from among the Designated Goods as well as the toys and general merchandise and the like for which the plaintiff licensed the Cited Mark are available to general consumers for relatively low prices at stores such as home improvement stores and on online shopping sites and television-shopping programs, and these goods are used by general consumers in everyday life. In light of these circumstances, among others, it must be said that the Trademark and the Cited Mark have a certain level of relevance in terms of nature, use, or purpose.

Accordingly, it should be said that the Designated Goods contain some goods which, when compared with goods pertaining to the plaintiff's operation, have a certain level of relevance in terms of nature, use, or purpose.

B. Commonality in traders and consumers

Loading-unloading machines and apparatus as well as agricultural machines and agricultural implements other than hand-operated, which are relatively small and are relatively simple to operate, such as the aforementioned hydraulic jacks and the like that are among the Designated Goods, are in demand by general consumers, and the traders of these goods are those who manufacture, sell, or engage in retail sales of such apparatus. Toys and general merchandise and the like for which the plaintiff licensed the Cited Mark are in demand by general consumers, and the traders of these goods are those who manufacture, sell, or engage in retail sales of these goods. Traders and consumers of the Designated Goods include the same traders and consumers for the goods pertaining to the plaintiff's operation. In terms of nature, use, or purpose of goods, it cannot be said that these common traders and consumers focus only on the performance or quality of goods, but that they conduct business by also taking into consideration the business reputation indicated by the trademark which is placed on the goods.

(5) Risk of confusion of source

As described above, when the circumstances for determining whether or not there is a "risk of causing confusion" are considered in light of the current conditions of business and the like, the machines and apparatus that are used in

specialized/vocational fields, which are among the Designated Goods, and the goods pertaining to the plaintiff's operation are not very much relevant.

However, the Trademark and the Cited Mark are confusingly similar in pronunciation, with some of the features making the two trademarks to be confusingly similar in appearance as well. In addition, the Cited Mark is well-known or famous, in addition to being highly original. Furthermore, with the plaintiff's operation having become diversified, some of the Designated Goods have, when compared with the goods pertaining to the plaintiff's operation, a certain level of relevance in terms of nature, use, or purpose. In addition, it can be said that these goods and the goods which pertain to the plaintiff's operation share the same traders and consumers, who, upon conducting business, take into consideration not only the performance and quality of the goods but also the business reputation indicated by the trademark which is placed on the goods.

If this is the case, it must be said that some of the Designated Goods have a risk of causing the misunderstanding, when the Trademark is used in connection with such goods, that said goods pertain to the plaintiff or to a proprietor of business who is closely related to the plaintiff, by way of a parent company-subsidary relationship or as an affiliate or the like, or who belongs to a group of companies operating for commercialization under the same label as the plaintiff.

(6) Defendant's claims

A. The defendant claims that since the Defendant's Attachments are special machines and apparatus, and they are selected mostly based on the performance, quality, reliability, stability, and the like of such machines and apparatus, so that they are not at all suited to the business of commercialization.

Of the Designated Goods, the Defendant's Attachments and other machines and apparatus that are used in specialized/vocational fields are selected mostly based on the performance, quality, and the like because of their usage for providing assistance to people's work at industrial sites. As such, consumers of these machines and apparatus are those working in the field of industrial machinery, and the traders are those engaged in the manufacture and sale or lease and the like of industrial machinery and apparatus. As such, it can be said that some of the Designated Goods are not very much relevant to the goods for which the plaintiff licensed the Cited Mark, and that the traders and consumers are different as well. However, this fact does not deny that the Designated Goods include goods that have a certain level of relevance to the goods which pertain to the plaintiff's operation, or that some of the traders and consumers for the Designated Goods are the same as the traders and consumers for the goods for

which the plaintiff licensed the Cited Mark, or that these persons conduct business by taking into consideration, among other factors, the business reputation indicated by the trademark which is placed on the goods.

If this is the case, the defendant's claims cannot be accepted because whether or not the Trademark has a risk of causing confusion with goods which pertain to the plaintiff's operation cannot be determined based only on the case of using the Trademark for the Defendant's Attachments and other machines and apparatus that are used in specialized/vocational fields.

B. The defendant makes claims such as that the Trademark is a coined word which was created by the defendant by combining the English words, "GUZZLE" and "GORILLA".

However, the Cited Mark being a well-known or famous mark, it gives rise to the concept of a monster that appears in monster films, so that it exerts the strong image of towns and buildings being destroyed (Exhibits Ko 9 to 11, 52 to 73). Hydraulic jacks and the like which are included in the Designated Goods are loading-unloading machines and apparatus as well as agricultural machines and agricultural implements other than hand-operated, which are relatively small in size and relatively simple to operate. As such, it is just conceivable that traders and consumers for these goods conduct business by being attracted to the strong image of the Cited Mark. Meanwhile, it is not easily conceivable, given the fact that the English word, "GUZZLE", is an uncommon English word (Exhibit Ko 154), that traders and consumers for hydraulic jacks and the like of the Designated Goods would conduct business after acknowledging, among other things, that the Trademark is a coined word which is uniquely created by combining the English words, "GUZZLE" and "GORILLA".

Accordingly, the defendant's claim that the Trademark is a coined word created by the defendant does not affect the judgment that the Trademark, when used for the Designated Goods, has a risk of causing the misunderstanding that the Designated Goods pertain to the plaintiff's operation.

C. The defendant claims that the Trademark does not take a free ride on the Cited Mark, and that use of the Trademark does not dilute the Cited Mark.

However, as described in above B, it is just conceivable that traders and consumers for hydraulic jacks and the like of the Designated Goods would conduct business by being attracted to the strong image of the Cited Mark. As such, use of the Trademark on the Designated Goods is likely to result in the free riding on the ability of the Cited Mark to attract consumers, or in the dilution of the Cited Mark.

Also, in light of the fact that, since around 1996, the defendant has used the Trademark on the Defendant's Attachments which have the function of compressing concrete and the like (Exhibits Ko 130, 167 to 170), it must be said that the defendant had the plan of causing onlookers to conjure the strong image of the Cited Mark when the defendant placed on the Defendant's attachments the Trademark, which is confusingly similar to the Cited Mark in pronunciation and which includes features that make the Trademark confusingly similar to the Cited Mark in appearance as well. Furthermore, although this is on and after November 21, 2011, which is the filing date of the application for the Trademark, the defendant used the marks, "SUPER GUZZILLA" and "SPACE GUZZILLA", which are confusingly similar to "SUPER GODZILLA" and "SPACE GODZILLA", which were used by the plaintiff (Exhibits Ko 30, 55, 62, 131, 132, 136 to 138, 155 to 158, 161 to 165, and 198). Also, although this is on and after the filing date of the application for the Trademark, the defendant widely distributed at no cost, and sold, towels, wrist watches, gloves, caps, T-shirts, hoodies, and the like with the Trademark placed thereon (Exhibits Ko 178 to 188, 218, 228, 229). In addition, although this is on and after the filing date of the application for the Trademark, the defendant filed applications for registration of trademarks consisting of letters such as "ガリガリ君 (gari-gari-kun) and "STUDIO GABULLI", which are confusingly similar to well-known or famous trademarks in Japan (Exhibits Ko 139 to 142). It can be said that these acts by the defendant indirectly support the likelihood that use of the Trademark for the Designated Goods at the time of the filing of the application for registration of the Trademark could result in the free riding on the ability of the Cited Mark to attract consumers or in the dilution of the Cited Mark.

As described above, if the Trademark is used for the Designated Goods, it is possible to result in the free riding on the ability of the Cited Mark to attract consumers and in the dilution of the Cited Mark. As such, the defendant's claims cannot be accepted.

(7) Summary

In view of the above, the Trademark falls under Article 4, paragraph (1), item (xv). The Ground for Rescission No. 1 is rational.

2. Conclusion

Accordingly, the Trial Decision should be rescinded without even the need to determine other points. Therefore, the judgment shall be rendered in the form of the main text.

Intellectual Property High Court, First Division

Presiding Judge: TAKABE Makiko

Judge: SUGIURA Masaki

Judge: KATASE Akira

Attachment

Trademark Registration Certificate

GUZZILLA